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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

7 August 1956

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Staff Memorandum No. 58-56

Subject: Nasser and the Middle East Situation: A Summary of
Relevant Conclusions from SNIE 30-3-56, together with some
Interim Staff Views.*

A. The Immediate Outlook:

1. Outlook continues to be for period of crisis:

- (a) With Egyptian moves continuing to depend on
actions of Western Powers, USSR, and Asian states,
(notably India).

25X6A 2. In light of Soviet and widespread Asian support for Nasser--
[REDACTED]--he is not
likely to make any major concessions in face of Western
diplomatic persuasion, economic sanctions, or efforts to
secure redress through international action.

- (a) At most, he is probably prepared to reaffirm principles
of 1888 Convention on freedom of transit, etc.

25X6A (b) Meantime carefully avoiding stoppage of shipping, lest
such action provide [REDACTED] grounds for
using force, and weaken his case elsewhere.

* Section B (the Longer Range Outlook) is derived from SNIE 30-3-56

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3. It is possible he will accept invitation to Western-sponsored international conference, though if he did so, he would almost certainly insist on addition to list of countries, terms of reference recognizing his right to nationalize. More likely he will seek to throw matter into UN Security Council--and ultimately General Assembly.

(a) In such a move, he is likely to have Soviet, Indian, general Asian support.

4. In these circumstances, West confronted with serious problems in convening a conference, reaching an agreement, and making it stick.

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B. Longer Range Outlook: (Derived from SNIE 30-3-56, Nasser and the Middle East Situation, 31 July 1956)

6. Primary significance of Nasser's move is political and psychological rather than as a direct and immediate threat to canal operations.

(a) It has strengthened anti-Western, anti-Colonial and nationalist trends throughout area.

(b) If successful, will encourage future moves toward nationalization or other action against foreign-owned pipe lines and petroleum facilities.

(c) While not impossible for Egypt to run canal efficiently, in time it would use unfettered control for political purposes.

7. Recent developments are markedly to Soviet interest.

(a) Open wider gap between West and Egypt, other Arab and Asian states sympathetic to Nasser.

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- (b) USSR will probably participate in any negotiated solution of the crisis, thereby expanding its influence in area.
- (c) USSR will give Nasser political and economic support in his resistance to Western pressures.
- (d) In event of Western military action against Nasser, USSR would probably make every effort to avoid direct involvement.
 - (1) However, would intensify aid to Nasser -- possibly including covert introduction military specialists.
 - (2) Would also capitalize in UN and elsewhere on inevitable Arab-Asian revulsion against Western use of force.

C. Should West actually resort to force:

- 1. It could expect strong response from Arab-Asian states, probably including:
 - (a) Direct reprisals against oil interests -- initially in Syria where pipelines would be cut.
 - (b) Condemnation of move by Iraq government, with consequent threat to Baghdad Pact.
 - (c) Vigorous actions in UN and elsewhere by India and other neutralist and anti-colonial powers to enlist world opinion against West.

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